

Comparing cloud service models: Public vs. private vs. hybrid cloud





“According to IDC, the market is expected to achieve a five-year compound annual growth rate (CAGR) of 21.9% with public cloud services spending totaling \$277B in 2021.”

Cloud computing and related technologies have made huge waves in small and large businesses over the last few years.

In a nutshell, the cloud gives businesses the flexibility of connecting and retrieving data at any time and anywhere, ideal for those working overseas or remotely. Accessing data saved on a cloud is simple – all you need is granted access and a good internet connection.

Still, not all [cloud service](#) models are built the same. Knowing the difference can help you strategically determine which is best for your business, both in terms of practicality and cost-efficiency.

There are three main types of cloud service models:

- **Public** (Offered by third-party providers over the public internet, typically free or on-demand)
- **Private** (Available only to select users and typically more secure than a public cloud)
- **Hybrid** (A combination of the two that allows the sharing of data and apps seamlessly)

They each have their pros and cons. Deciding which model would work best for you depends on several factors.

In this article, we'll take a deep dive into the pros and cons of each cloud service model, as well as considerations for Canadian businesses.

Public cloud

Public cloud storage is owned and operated by a third-party provider, managed in a remote data center and delivered over the internet. Pricing and service levels are usually managed via a subscription service.

Multiple businesses (known as “tenants”) share these remote resources to efficiently and reliably support applications and data for online, testing and development services.

The pros

Public cloud services are usually very cost-effective because you are sharing costs and maximizing reliability across more servers. You benefit from the latest and greatest technology without having to purchase it, house it, or manage it.



This type of storage is also known for its scalability. Simply put, you can buy more as your business grows. Public cloud services have end-to-end encryption to keep your data safe, and the off-site data center location gives you extra redundancy for your working and backup data.

The cons

The public cloud service will be owned and operated by a third-party provider, so the terms and conditions could change. In turn, that affects the cost, level of service (storage or bandwidth) or performance you expect.

You are also limited in which data and applications you can locate in the shared public cloud, since it is not a dedicated environment.

Private cloud

While businesses can actually host their own private cloud servers on-prem, it's more likely that they'll still utilize a third-party host. Regardless of whether the data center is located on-site or hosted remotely with a service provider, the equipment and software are not shared with any other entity.

Government, financial and healthcare organizations often favor [private cloud](#) for their business-critical operations.

The pros

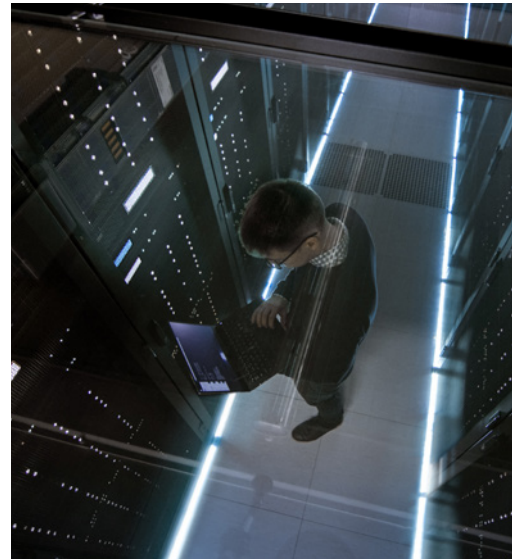
With total control over the infrastructure and application resources, you have increased security and flexibility with a private cloud setup.

Private cloud servers are the perfect solution for securing and scaling critical customer and financial systems to meet compliance demands. You can also customize a private cloud to your specific IT requirements.

The cons

With greater control comes greater expense. A private cloud server requires additional maintenance, whether you pay a provider or hire dedicated staff for the extra oversight.

Hosting servers on-site also increases your risk of threat from natural disasters or internal breaches. In other words, private cloud offers more control for greater overall risk.



“Enterprises already run 77% of their workloads in the cloud. More of them tend to favor private clouds (45%) than the public cloud (32%), primarily for security reasons. SMBs tend to favor public clouds.”

– CIO



“By 2020, 90% of organizations will adopt hybrid infrastructure management capabilities. As pricing continues to decline, the speed of adoption will increase.”

– Gartner

Hybrid cloud

Hybrid cloud solutions strike a balance between public and private clouds. You can operate certain critical systems on your dedicated server and handle high-volume, lower-security activity on a remote public server.

Many businesses use a public server for general access applications and private cloud storage for daily internal operations and reporting.



The pros

A hybrid cloud model allows you to mitigate the higher cost of a private cloud setup by utilizing public cloud options for less critical applications or data. You can enjoy the efficiency of the public cloud alongside the control of the private option.

The [hybrid setup](#) also allows for greater operational flexibility for balancing or sharing resources during seasonal activity peaks that may temporarily overload private cloud capacity.

The cons

Operating resources across two different environments can make data backup and recovery more complicated depending on how you split your storage.

You will also need to monitor multiple security protocols and carefully organize your operational processes to ensure full coverage, performance and availability.

Specific considerations for Canadian businesses

We’ve spoken about Canadian-specific cloud security concerns. Currently, Canadian compliance regulations have proven to be as strict (or even stricter) than their United States counterparts.

[According to Forrester](#), cloud adoption in 2018 was primarily concentrated in Eastern Canada, leaving Western Canada challenged with significant latency to access these facilities while still meeting difficult compliance regulations.

How can your business make sense of it all?

Understandably, choosing the specific cloud model that meets business demands – both for enterprise and SMB markets – can prove difficult. The best bet is to consult with a cloud expert firm that can advise and guide businesses based on past experience and general knowledge.

That's what we're here for. [Our cloud solutions](#) are customizable to help you achieve business goals, without the added stress of cloud uncertainty.



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